



COMMONWEALTH of VIRGINIA

Office of the Governor

Robert F. McDonnell
Governor

August 29, 2013

The Honorable Laura Fornash
Secretary of Education
1111 East Broad Street
Richmond, Virginia 23219

Dear Secretary Fornash:

In 2009, I first voiced my support of former-Governor George Allen and Paul Goldman's efforts to change federal tax code to eliminate a "prior use" rule to allow private investors to utilize the Federal Historic Rehabilitation Tax Credit when rehabilitating old school facilities and leasing them back to school districts as modernized school buildings ready for use by Virginia's students. Senator Tim Kaine ably demonstrated how the use of that tax credit for the improvement of a school, in his case Maggie Walker High School in Richmond, could produce tremendous savings for taxpayers, while providing students with a world-class learning facility. Eliminating the "prior use" rule would unleash the private sector to not only help modernize schools across the Commonwealth, but also to create tens of thousands of jobs in the process. Hundreds of thousands of Virginia students would have access to new, state of the art schools in their communities. In terms of job creation, economic impact, and, most importantly, educational progress, this change would more than pay for itself. The benefits would be widespread and positive.

Earlier this week, I met with Mr. Goldman and his team to discuss this matter in greater detail. We agreed that the elimination of the "prior use" rule to allow private investors to utilize the Federal Historic Rehabilitation Tax Credit in the process of renovating aging school buildings for future use in the same capacity, would have a positive impact on Virginia's students, teachers and parents in communities all across the state. We also agreed that we must continue to work to press federal lawmakers to make this change. In that effort, specific, concrete facts about the true impact of such a change would be extremely beneficial to our federal representatives as they lead this effort.

Therefore, today I am asking you to lead the Department of Education in a review of all existing school buildings, including buildings not currently being utilized, and create a detailed inventory of all building facilities owned or operated for public elementary and secondary education. The report should include the age, location and current use of each facility and be compiled and submitted to me no later than November 1, 2013.

The Honorable Laura Fornash
August 29, 2013
Page Two

There is strong, bipartisan support for this change to federal law. Senator Mark Warner, Senator Tim Kaine, Majority Leader Eric Cantor, Attorney General Ken Cuccinelli, Democratic gubernatorial nominee Terry McAuliffe and many others have publicly called for the elimination of the "prior use rule" block to renovating older school facilities in Virginia. We all agree: we are handcuffing the private sector while our school buildings continue to age. This up to date inventory of facilities will give me and our federal delegation a complete picture of the potential, positive impact of this change to federal law on Virginia. It will significantly help in the advocacy effort, while also allowing all Virginians a fuller picture of the current state of our school infrastructure. I look forward to receiving this report.

Sincerely,

A handwritten signature in black ink, reading "Robert F. McDonnell". The signature is written in a cursive style with a large, stylized initial "R".

Robert F. McDonnell

RFM/kfs